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FOR STATE/EB/TPP/ABT THOMAS LERSTEN
FOR STATE WHA/CEN ELIA TELLO
FOR STATE WHA/CEN
FOR COMMERCE/ITA/OTEXA MARIA D'ANDREA
FOR USTR ABIOLA HEYLIGER

E.O. 12958: N/A
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SUBJECT: PANAMA: TEXTILE & APPAREL STATISTICS

REF: STATE 138090

¶1. The following comes from the Comptroller General's Office of the Republic of Panama unless otherwise noted:

- Total industrial production: full year 2005: \$1,118,452,300; first 6 months 2006: \$596,476,000
- Total textile & apparel production: full year 2005: 5,034,837; first 6 months 2006: \$2,422,206
- Textile/Apparel share of Panama's imports & exports: full year 2005: 0.106%; first 6 months: 0.085%
- Exports in textiles & apparel to the United States: full year 2005: \$2,280,206; first 6 months 2006: \$705,454
- Total manufacturing employment: full year 2005: 41,213 (2.93% of total labor force); first 3 months 2006: 43,603 (3.09% of total labor force)
- Total textile & apparel employment: full year 2005: less than 10,000

¶2. Panama has a greatly diminished textile/apparel industry. Since 2000, approximately 18 textile/apparel manufacturers have closed. Employment in the sector has been reduced from approximately 26,000 workers in 1996 to less than 10,000 in ¶2006. The remaining Panamanian textile/apparel industry manufactures principally school and work uniforms, and guayabera (traditional male shirts).

¶3. International competition, particularly from Asia and other Central American countries, along with a lack of capital investment in modernizing manufacturing facilities are the principal causes for the deterioration of the Panamanian textile/apparel industry. Industry labor sources told EconOff that Panama has lost manufacturing facilities to countries such as Honduras and El Salvador because of more flexible labor laws.
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